

Testimony for SB 77
House Judiciary Committee

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Good Morning Chairman and members of the Committee. My name is Ron Brenke, and I am testifying in support of Senate Bill 77.

I am the Executive Director of the American Council of Engineering Companies (ACEC) of Michigan. ACEC represents approximately 100 Michigan Engineering companies that are engaged in engineering works that propel Michigan's economy and enhance and safeguard the quality of life for Michigan residents.

In 2006, the Michigan Supreme Court issued its opinion in Ostroth v. Warren Regency GP, LLC. The opinion changed existing law and significantly lengthened the statute of limitations for the design and construction industry. For 100 years in Michigan, the statute of limitations for architects and engineers malpractice has been 2 years. The Ostroth decision has increased this to 6 years, and longer in some cases.

Since December 2006, ACEC and its partners have been working to correct the court ruling and return the statute to a reasonable timeframe. Bills were introduced in the 2 previous sessions, received bi-partisan support in the House and Senate, but died on the House floor each session after passing the Senate and House Judiciary Committee. This session, SB 77 was voted out of the Senate with 35 yes votes, 1 no vote and 2 excused.

Senate Bill 77 would bring clarity to the statute of limitations for bringing an action against an architect, professional engineer, or professional land surveyor and restore the previous limits that protect the design industry against stale claims.

The American Council of Engineering Companies recently completed a survey of the states regarding their Statute of Limitations which has been provided to each of you. As you can see, the Michigan ruling has created a Statute of Limitations that is now longer than all of the other states listed.

This ruling has a negative impact on the businesses here in Michigan. Under the ruling, Michigan becomes a less-friendly place to practice and operate an engineering business and will increase costs for infrastructure projects. This is not what Michigan needs in our current economic condition.

For these reasons, I request your support of Senate Bill 77 which will restore the long standing statute of limitations and put Michigan on equal footing with other states.

2011: SB 77 Passed Senate 35 yes, 1 no, 2 excused.
2010: SB 882 Passed House Judiciary Committee.
2009: SB 882 Passed Senate 36 yes, 2 absent.
2008: SB 865 Passed the Senate with 31 yes votes.

Thank you.